

Highlights of the Administration's Assistance to Low-Income Families

Accomplishments

Mandatory Programs:

- **The Medicare Drug Benefit.** The comprehensive drug benefit, which begins in 2006, provides additional assistance to low-income beneficiaries and eventually over 12 million beneficiaries will receive it. Additionally, \$600 in transitional assistance is provided to low-income beneficiaries through the drug card in 2004 and 2005.
- **Medicaid/SCHIP Waivers and State Plan Amendments.** Since January 2001, the Bush Administration has granted authority to states through Medicaid waivers and state plan amendments to expand health care coverage to over 2.6 million additional people. The Administration also started the Health Insurance Flexibility and Accountability Initiative, which offers coverage to 175,000 people (with 647,000 more enrollees expected).
- **State Children's Health Insurance Program (SCHIP).** In August 2003, the President signed legislation restoring and extending the use of over \$2 billion in unspent SCHIP funds, providing coverage to help states maintain coverage for approximately 5 million children.
- **Food Stamps.** In 2002, an Administration proposal was enacted to restore food stamp eligibility to hundreds of thousands of legal immigrants.
- **Tax Relief.** In 2001, the Administration worked with Congress to provide marriage penalty relief and simplification relating to the Earned Income Tax Credit (EITC). In general, the tax relief enacted over the past three years has made the income tax code more progressive while eliminating the income tax burden of nearly five million lower-income families and individuals. As a result of enactment of the President's tax relief, the tax burden on the bottom 50 percent of income earners has declined from 4.1 percent of all income taxes paid to 3.6 percent. Moreover, by doubling the child tax credit to \$1000 while expanding its refundability, the family tax relief enacted in 2001 and 2003 resulted in millions of low-income families with children receiving new or expanded income tax refunds.

Discretionary Programs:

- **Health Centers.** The President's Health Centers Initiative is creating 1,200 new and expanded health center sites to serve an additional 6.1 million people by 2006. Since 2001, the number of persons served in health centers has increased by almost 30%.
- **Special Supplemental Nutrition Program for Women, Infants and Children (WIC).** The Administration fully funded the program with \$4.612 billion in FY 2004, helping 7.86 million women and children avoid poor nutrition. In addition, the President created a contingency fund to expand the program in the event more funds are needed to serve additional people.
- **Access to Recovery Drug Treatment Vouchers.** Congress funded the President's proposal at \$100 million in FY 2004 to provide broader access to drug treatment and social service providers for 50,000 new individuals.
- **Mentoring Children of Prisoners.** Congress approved the President's request of \$50 million in FY 2004 to provide mentoring by caring adults to children with parents in prison.
- **Compassion Capital Fund.** Congress funded the President's proposal at \$48 million in FY 2004 to fund public/private partnerships supporting charitable organizations in expanding or emulating model social service programs.
- **American Dream Downpayment Initiative.** Congress passed and funded this Presidential initiative at \$75 million in FY 2003 and \$87 million in FY 2004. \$200 million is proposed in the President's FY 2005 budget to continue helping low-income families become homeowners.

- **Moving Americans from Rental Assistance to Homeownership.** As of February 2004, over 400 Public Housing Authorities have implemented the Administration's proposal to provide a homeownership option in the Housing Choice Voucher Program, resulting in nearly 2,000 new homeowners.
- **Education Assistance for Older Foster Youth.** Congress provided \$45 million in FY 2004 for the President's proposal for education and vocational training vouchers for youth "aging out" of foster care to help them develop skills to lead productive lives.

FY 2005 Budget Proposals

Mandatory Programs:

- **Medicaid Benefits for Families Transitioning from Welfare to Work.** The Administration proposes a five-year extension of Medicaid benefits for families transitioning from welfare to work.
- **Health Insurance Tax Credit.** The Administration proposes a tax credit to help millions of lower-income Americans purchase health insurance.
- **Premium Assistance for Low-Income Medicare Beneficiaries.** The Administration proposes extending for one year Medicaid payment of Part B premiums (i.e., assistance with physicians and other outpatient services) for low-income beneficiaries.
- **Assistance for Low-Income Refugees.** The FY 2005 Budget proposes allowing refugees and asylees to receive Supplemental Security Income for 8 years after entry into the country, instead of 7 years as current law provides.

Discretionary Programs:

- **Title I Grants to Local Educational Agencies.** The President's Budget includes a \$1 billion, or 8.1% increase, for Title I to help disadvantaged students by turning around low performing schools, improving teacher quality, and expanding choices for students and parents. At the requested level, Title I funding will have increased by \$4.6 billion, or 52%, since the President took office.
- **Federal Pell Grants.** The Budget provides 5.3 million students (a 25% increase in recipients since the 2001-2002 school year) up to \$4,050 in grant aid to help meet the cost of postsecondary education by requesting \$12.9 billion for Federal Pell Grants.
- **Samaritan Initiative.** The Budget supports the \$70 million collaborative initiative funded by HUD, HHS, and VA for a new competitive grant program to provide permanent housing with supportive services for chronically homeless individuals, working towards the Administration's goal of ending chronic homelessness by 2012.
- **Job Training.** The Budget proposes \$19 billion (3.7% increase) for job training and employment assistance through the Departments of Labor and Education. This amount includes Federal Pell Grants for students at technical and two-year postsecondary schools, who are eligible for up to \$4,050 in grant aid to help meet the cost of postsecondary education. These funds provide educational assistance for millions of individuals.
- **Marriage and Healthy Family Development.** The Budget proposes a \$700 million effort comprised of new and existing programs, to promote marriage and healthy family development.
- **Prisoner Re-Entry.** The Budget requests a four-year, \$300 million initiative to help returning prisoners rebuild their lives, find work, and avoid crime.